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AFTER 7 YEARS ON THE RUN, INTERNATIONAL FUGITIVE IN SACRAMENTO FRAUD CASE SENTENCED TO TEN YEARS IN PRISON

SACRAMENTO-United States Attorney McGregor W. Scott announced today that STEPHEN D. OLES, 50, formerly of Rancho Santa Fe, California, and Las Vegas, Nevada, who had been a fugitive from federal fraud charges in Sacramento, was sentenced Monday in United States District Court in Charleston, West Virginia to 121 months in prison in connection with federal charges pending against him in both Sacramento and West Virginia. The sentencing proceeding in West Virginia concludes federal prosecutions that were initiated in both states in 1998. OLES had been on pretrial supervision in both cases in August, 1999 when he absconded and fled to Europe. He was extradited to the United States late last year. The case was investigated by the Federal Bureau of Investigation.

At the sentencing hearing in West Virginia on Monday, OLES was also ordered to pay \$2,023,057 in restitution to victims, including restitution to the victims in the Sacramento case. OLES will be placed on federal supervision for a period of three years after service of his prison term.

OLES pleaded guilty in West Virginia on January 16, 2007, to conspiracy to commit fraud and obstruct justice, and to two counts of wire fraud. As part of the plea agreement, which was signed by federal prosecutors in both Sacramento and West Virginia, the criminal conduct underlying the Sacramento charges was included in calculating the sentence imposed on Monday, and the charges pending against OLES in Sacramento will be dismissed.

According to Assistant United States Attorney Benjamin B. Wagner, who prosecuted the case, the Sacramento charges against OLES were filed in October, 1998, when he was indicted by a federal grand jury in Sacramento, together with Dr. ROGER D. MATHEWS, now 74, of Sacramento, and DEBBIE MISEWICZ, now 48 and known as Debbie Alliji, of Coconut Creek, Florida. The three defendants were charged with conspiracy, wire fraud and money laundering in connection with a wide ranging investment fraud scheme. In September 1998, OLES and several other defendants were also indicted in a related investment fraud scheme in the Southern District of West Virginia.

After appearing in both courts, OLES was placed under house arrest at his home in Rancho Santa Fe, California, and ordered to submit to electronic monitoring. He attended proceedings in both cases in early 1999. In August 1999, however, as trial approached in the West Virginia case, OLES pried off his electronic bracelet and fled the country. In 2002, OLES was arrested in Ireland, and federal prosecutors in both Sacramento and West Virginia sought to extradite him to the United States. The extradition request was rejected by Ireland, however, and OLES fled again. He was later arrested in the United Kingdom, where he was prosecuted and convicted for an unrelated investment fraud scheme. Federal prosecutors again sought his extradition, and in August 2006, seven years after he absconded, OLES was returned to United States custody.

In the interim, all other defendants in the two federal cases were convicted and sentenced. Dr. MATHEWS, formerly a physician with a practice in obstetrics and gynecology who practiced medicine in the Sacramento area for over 30 years, pleaded guilty to conspiracy to commit wire fraud and was sentenced in November, 1999, to 14 months in prison, a three year term of supervised release, and restitution in the amount of \$472,500. Both the prison term and supervised release term have been completed.

DEBBIE MISEWICZ, who had a prior fraud conviction in the State of Alaska, was indicted in Fresno in October 1999 along with two other defendants in another federal investment fraud case in this district. She pleaded guilty to conspiracy and wire fraud charges in both cases, and was sentenced in January 2001 to three years in prison, followed by a three year term of supervised release, and restitution in the amount of \$1.9 million. Two other defendants, KENNETH L. ROPER, 66, of Fresno, and JAMES BACZYNSKI, 59, formerly a lawyer from the Chicago, Illinois area, were also convicted and sentenced to prison in that case.

In his recent plea agreement filed in West Virginia, OLES admitted to promoting investments in a fictitious high-yield program that purportedly involved trading in "prime" bank debentures. He claimed to be a "program manager" who worked with various European trusts, and told investors that he was a born-again Christian who got involved in the programs to raise money for Christian projects. In fact, the trading program did not exist, and OLES simply routed the funds to himself and his confederates. He admitted to using some of the diverted investor funds to purchase a \$1.5 million home in Rancho Santa Fe, California. When investors demanded explanations about delays in payments, OLES and his confederates made various misrepresentations to the investors about the status of their funds. OLES also admitted giving false testimony to an investigating grand jury in West Virginia in 1996.

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